

## **General Conditions („GC”) for supply of products and provision of services of Siemens Energy Kft. ("Supplier")**

- effective from 1<sup>st</sup> June 2021 -

### **I. GENERAL PROVISIONS**

1. The individual contract (hereinafter “Individual Contract”) and the present GC shall govern the basic terms and conditions of the contractual relationships between Supplier and Customer (hereinafter together “Parties”) related to supplies and/or services of the Supplier (hereinafter: "Supplies"). The Individual Contract is a document reflecting the unanimous will of the Parties aimed at the delivery of Supplies based on the Supplier's price quotation and the Customer's order. For any issues not settled in the Individual Contract, the provisions of the GC shall prevail. The present GC shall apply to all orders of the Customer concerning Supplies.

The present GC and the Individual Contract together shall form the entire agreement between the Parties regarding the order and delivery of the respective Supplies. By sending the order to the Supplier, the Customer confirms that – after a detailed reading - it expressly acknowledges and accepts the provisions of the present GC.

Certain provisions of the present GC significantly differ from the legislation and the usual contractual practice. Customer declares that it has studied those and expressly accepts them.

The custom widely known and regularly used by the subjects of a similar contract in the given business shall only become part of the agreement between the Supplier and the Customer if the Supplier and the Customer agreed about it expressly and in writing.

2. The detailed list of Supplies delivered by the Supplier is included in the Individual Contracts concluded pursuant to the present GC.
3. The Customer may request a price quotation from the Supplier in respect of the Supplies. Based on the price quotation request from the Customer, the Supplier shall send a detailed price quotation to the Customer in writing. The price quotation can generally contain the followings: (i) name and description of the Supplies, including the definition and specifications of any services to be provided by the Supplier; (ii) purchase price of the Supplies and the fees charged by the Supplier; (iii) period while the price quotation is binding upon the Supplier; and (iv) other essential conditions indicated by the Supplier (e.g. schedule of delivery or partial delivery, deadlines of performance, payment schedule).

The Customer is entitled to accept the price quotation sent to it in a duly signed written order until the expiry of the period while the Supplier is bound by its price quotation. Should the Customer deliver the order signed as provided for in this Section to the Supplier after the expiry of the period while the Supplier maintains its price quotation, then the Supplier is not bound by its price quotation any longer and the order becomes binding only via a separate written acceptance (confirmation) of the Supplier.

The relevant detailed price quotation contains the period while the Supplier is bound by its price quotation. Should the detailed price quotation not contain this period, then the period while the Supplier is bound by its price quotation shall be deemed to be 30 (thirty) calendar days.

An Individual Contract is only concluded between the Customer and the Supplier when the Customer delivers its order with terms completely identical to the terms of the detailed price quotation of the Supplier before the expiry of the period while the Supplier is bound by its price quotation as specified above. If the Supplier receives the order with terms fully identical to the terms of the detailed price quotation of the Supplier after the expiry of the period while the Supplier is bound by its price quotation, the Individual Contract is concluded between the Parties only when the Supplier accepts the order separately in writing. If the Customer orders the Supplies from the Supplier in accordance with the terms/content of the price quotation, then upon the receipt of the written order by the Supplier, the Individual Contract is concluded between the Parties.

If the Customer does not send an order with the terms included in the price quotation, then the Customer shall call the Supplier's attention to this fact. This call is deemed to be a new request for price quotation (even if it does not differ from the price quotation on a substantial matter). In this case the Supplier makes a new price quotation based on the call and sends it to the Customer. After receiving the new price quotation, the Customer is entitled to order the Supplies in accordance with the above mentioned provisions of the GC.

The general terms and conditions of the Customer shall not become part of the Individual Contract even if they are not expressly rejected by the Supplier, even if their content is not expressly contrary to the terms and conditions of the present contract nor contain different provisions regarding additional or non-essential issues.

4. The Supplier herewith reserves any intellectual property rights and/or copyrights pertaining to its price quotations, plans and other documents (hereinafter referred to as "Documents"). The Customer shall only make these Documents accessible to third Parties after the Supplier's prior consent. The Customer shall, upon request, return the Documents without delay to the Supplier if it does not conclude the Individual Contract with the Supplier. The above provisions shall apply to the Customer's Documents accordingly. These Documents may, however, be made accessible to those third Parties who are rightful subcontractors of the Supplier.

The Parties undertake to keep confidential the terms of the price quotations, the orders, the fact and the terms of the present GC and the Individual Contract, furthermore any business secrets acquired during the performance of the present GC and the Individual Contract, not to make these accessible or disclose to any third Party. Technical, economic or organizational knowledge/know-how, experience or a combination of thereof (proprietary knowledge) that is recorded in an identifiable manner and represents an asset, shall be equally protected as business secrets.

5. The Customer has nonexclusive right to use standard software and software saved e.g. on a hard disk or other data carrier provided that it is used according to the agreed terms of use for the given standard software, unchanged on the designated equipment.

Should software be also delivered during the performance of the Supplier, then the Parties are obliged to agree on the detailed and comprehensive copyright terms related to the software in the Individual Contract.

If the service of the Supplier includes provisions of standard software made available by third Parties, then the special contractual conditions of the author of the standard software or other proprietor of the IPR shall be applicable, meaning that the software shall not be modified, copied, multiplied, the right to use shall not be assigned or transferred to third Party.

6. Partial deliveries and partial invoices are allowed, unless otherwise agreed by the Parties in the Individual Contract.

7. The term "claim for damages" used in the present GC also includes claims for compensation for costs caused by a breach of contract, but only within the framework of the rules set out in Section VIII.7.

8. Prices are given in accordance with DAP named destination Incoterms® 2020.

Prices are net prices, i.e. prices do not include applicable VAT or any other similar taxes.

The Supplier is entitled to charge VAT or similar tax on all supplies and activities performed by the Supplier to the Customer on the basis of an order in respect of which it must pay or account for VAT, sales tax or similar tax in accordance with the laws of any jurisdiction, provided that the Supplier, upon imposition of such VAT, sales tax or similar tax, issues an appropriate invoice to the Customer in the appropriate form and within the deadline prescribed by the relevant laws of the countries concerned.

The deadline for payment of the invoice is 15 days from the date of issuance. Payments are without deductions. Compensations are only possible in individual cases with the prior written approval of the Supplier.

If the Customer is in delay with the payment, the Supplier may demand a lump sum compensation of 15% for the duration of the delay.

9. The price quotation is valid for 30 calendar days from the date of issuance.

The condition of the delivery or provision of the service is that after agreeing on the technical and commercial conditions the Customer issues a binding order to the Supplier. The order must be confirmed by the Supplier. However, this is not necessary if there is no deviation from the offer.

## **II. PRICES, TERMS OF PAYMENT AND SET-OFF**

1. Prices include delivery and packaging, unless otherwise agreed in the Individual Contract. Prices however do not include value added tax.
2. If under the Individual Contract the Supplier is also obliged to provide assembly or installation and unless otherwise agreed by the Parties, the Customer shall pay the agreed remuneration and any additional costs included in the relevant Individual Contract, e.g. cost for travelling and transport as well as other contributions.
3. Payments shall be made in the currency and manner specified by the Supplier free of, and without deducting or withholding any bank cost. Payment is deemed to have been made when it is credited to the Supplier's bank account.
4. The Customer may offset only those claims that the Supplier has acknowledged in writing and are uncontested or non appealable.

## **III. RETENTION OF TITLE**

1. The items pertaining to the Supplies ("Retained Goods") shall remain the Supplier's property until all claims that the Supplier has against the Customer deriving from the relevant Individual Contract or the present GC has been fulfilled. Furthermore, if requested by the Supplier in its price quotation concerning the Individual Contract, the Customer is obliged to cooperate with the Supplier to register the fact of retention of title in the relevant credit guarantee register and to provide the necessary legal declarations and data. In this case, the entry into force of the Individual Contract shall be subject to the registration of the fact of retention of title related to the goods covered by the Individual Contract in the relevant credit guarantee register.

2. For the duration of the retention of title, the Customer may not pledge the Retained Goods or use them otherwise as security. The Customer may resell the Retained Goods to resellers only on the condition that the reseller may only transfer property rights to any buyer in the ordinary course of business and only after the buyer has paid the reseller the price of the Retained Goods and the Customer has also fulfilled its obligation to pay to the Supplier in connection with the Retained Goods. The Customer shall comply with this rule even if the fact of the retention of title of the goods subject to the Individual Contract is not entered into the relevant credit guarantee register.
3. The Customer shall inform the Supplier without delay of any seizure or any other intervention by third Parties.
4. If the Customer fails to fulfil its obligation in connection with the retention of title as described above, fails to pay in due time, or otherwise violates its obligations the Supplier shall be entitled to withdraw from the Individual Contract or terminate it with immediate effect and take back the Retained Goods in case the Customer still fails to comply with that obligation within a reasonable period of time set by the Supplier to remedy the breach of contract. The Customer is obliged to return the Retained Goods. The fact that the Supplier takes back the Retained Goods and/or retains title of or seizes the Retained Goods, does not in itself constitute a withdrawal from or a termination with immediate effect of the Individual Contract unless the Supplier expressly declares so in writing.
5. If the Customer is late in fulfilling any of its obligations deriving from the present GC or the relevant Individual Contract and is not able to excuse its delay in accordance with the relevant rules of the Hungarian Civil Code (Ptk.), it is obliged to pay the Supplier all reasonable additional costs incurred by the Supplier as a result of the delay.

#### **IV. DELIVERY PERIOD, DELAY**

1. Delivery deadlines shall be governed by the Individual Contract. The delivery period begins on the day when the Supplier receives the order. If any modifications are required, the delivery period shall begin on the date on which the Customer and the Supplier agree on the technical and commercial conditions, provided that production or delivery can be started without further delay. The Supplier is entitled to pre-delivery or partial delivery, in which case it is obliged to inform the Customer.
2. The condition of the Supplier's timely performance is that the Customer delivers all the necessary documents, necessary permits and approvals, in particular the related plans to the Supplier in due time, provides free access in case of assembly and installation in accordance with Section VI. point 3, furthermore the Customer fulfils its payment and other obligations as agreed in the Individual Contract. If these conditions are not fulfilled in time, the delivery deadlines will be automatically extended with the duration of the Customer's delay.
3. The delivery deadline shall be deemed to be met:
  - a) in case of delivery without assembly and installation when the Supply has been delivered to the Customer by the Supplier in accordance with Incoterms® 2020 at the time stipulated in the Individual Contract and at the place of performance specified in the Individual Contract. The deadline shall be deemed to be met even if the Customer is in delay with the receipt of the Supply although it is reported to be ready for delivery within the deadline.
  - (b) in the case of assembly and installation, at the time when the assembly and installation is completed on the date specified in the Individual Contract.
  - c) If - according to the Individual Contract - the condition of performance is a certificate of completion signed by the Customer, the Customer is obliged to issue the certificate of completion within 5 days after the Delivery or the provision of Service has taken place. Otherwise, the

Delivery or Service shall be deemed to have been fulfilled and the Supplier shall have the right to invoice.

4. If the deadlines in the Individual Contract are not observed by the Parties due to force majeure, such as mobilization, war, insurrection or other similar event, e.g. strike or quarantine, exceptional natural circumstances (flood, fire, etc.), the deadlines shall be extended accordingly.
5. If the Supplier is responsible for the delay and cannot justify it in accordance with the relevant rules of the Civil Code, the Customer may claim a contractual penalty for every completed week of delay equal to 0.5% of the net price of the part of the Supply affected by the delay and therefore cannot be used. However, the maximum amount of the penalty shall not exceed 5% of the net price of the delayed Supplies.
6. In case of delayed Supplies, the Customer may claim compensation for damages due to this as provided for in Section VIII. point 7.
7. If – due to the request of the Customer - the Supplies are delivered more than 1 month later after they were reported to be ready for delivery, the Supplier may charge the Customer for every additional month commenced a storage fee of 1% of the gross price of the relevant items of the Supply. The storage fee shall not exceed 5% of the gross price of the relevant items of the Supply. The contracting Parties may prove that a higher or, in some cases, lower storage cost has been incurred.

## V. PASSING OF RISK

1. The risk shall pass to the Customer when the Supplier delivers the Supply to the Customer. Upon the Customer's explicit written request and at the Customer's expense, the Supplier shall insure the Supply against usual risks of transport.

Regardless of which Party bears the shipping costs, the risk is borne by the Customer

A) in case of transport: in accordance with Incoterms® 2020 provisions on the delivery clause,

B) in the case of the provision of services: after its completion.

2. The risk shall pass to the Customer if the delivery is delayed for reasons for which the Customer is responsible in accordance with the relevant provisions of the Civil Code or if the Customer has refused to accept the Supplies without any justifiable grounds, without referring to any defect in quality.

## VI. ASSEMBLY AND INSTALLATION

Unless otherwise agreed in writing by the Parties, assembly and installation shall be subject to the following provisions:

1. The Customer shall provide for at its own expense and in due time the following:
  - a) all earth and construction works and other ancillary works not covered by the Individual Contract, including the necessary staff, construction materials and tools,
  - b) equipment and materials necessary for assembly and installation, scaffolds, lifting equipment, hoists and other equipment as well as fuels and lubricants,
  - c) energy and water supply at the point of use, including connections, heating and lighting,
  - d) dry and lockable rooms of sufficient size in the work site where the Supplier carries out its tasks (eg assembly, installation etc.) where machine parts, instruments, apparatus,

- materials, tools, etc. can be stored and adequate working and recreation rooms for the assembly personnel, including sanitary facilities as are appropriate in the specific circumstances Furthermore, the Customer is obliged to take all measures to protect its own property, the property of the Supplier and the property of the assembly personnel,
- e) the necessary protective clothing and protective equipment that meet the specific requirements of the specific site.
2. Before the installation starts, the Customer shall voluntarily make available all available information and necessary data concerning the location of concealed electric power, gas and water pipelines or similar installations.
  3. Prior to the commencement of assembly or installation, the materials and equipment necessary for the commencement of the work shall be made available at the site of assembly or installation and all preparatory work shall be advanced to such a degree that assembly or commissioning can begin as agreed and carried out without interruption. Access roads and the site of assembly or installation must be level and clear.
  4. If the assembly or installation is delayed due to circumstances for which the Supplier is not responsible, the Customer shall bear the reasonable costs incurred for idle times and the additional travel expenses of the Supplier or the assembly personnel as set out in Section III. point 5.
  5. In addition to the provisions of this Section, if the Supplier undertook the assembly or installation subject to individual settlement, the following provisions shall apply:
    - a) the Customer shall pay the Supplier any charge, fees and allowances set out in the Individual Contract for work during working hours, overtime, work in night shifts, on Sunday, on public holidays work, or in other extraordinary circumstances, as well as for planning and supervision.
    - b) the following costs shall also be reimbursed separately:
      - travel expenses,
      - hand tools and
      - transport costs for other equipment,
      - mission expenses for work, working hours, for the time of rest and during travel and public holidays, etc.

## **VII. ACCEPTANCE OF DELIVERY**

The Customer is not entitled to refuse to accept the Supply due to minor defects. Minor defect is any defect in a Supply that does not substantially affect the use of the relevant product in the normal course of operation and does not affect the functionality, operation, maintenance and development of the relevant Supply. The Parties shall separately agree on the management of minor defects and their deadlines.

## **VIII. DEFECTS IN QUALITY (GUARANTEE)**

The Supplier shall be liable for quality defects (hereinafter referred to as "Defect") as follows:

1. The Supplier shall, at its choice, repair or replace the defective Supply free of charge or provide again the service provided that the Defect has already existed when the risk passed.
2. Claims for repair or replacement are subject to a limitation period of 1 year calculated from the start of the limitation period specified in the Civil Code; the same shall apply mutatis mutandis in

the case of price reduction or withdrawal. This rule shall not apply if a longer eligibility period is prescribed by law for the relevant Supply.

If the Supplier has delivered defective product or performed defectively, the guarantee period for the replaced product or the re-provided service is 6 months. The liability for the defect lasts until the end of the original warranty period.

Furthermore, the rules of the Civil Code shall be applicable for the suspension of the limitation period of warranty rights, as well as to interruption and resumption of the limitation period with the exception that a warranty claim cannot be enforced beyond the 2-years limitation period after the risk had passed.

3. The Customer is obliged to report the Defect in writing to the Supplier without delay.
4. The Supplier shall repair or replace the defective Supplies within a reasonable period of time. If the Supplier cannot repair or replace or in the case of a Service to perform the repair work, then the Customer has the right
  - a) to terminate the Contract without compensation or partially withdraw from it, or
  - b) may request a price reduction.
5. Claims are excluded based on Defect in cases of insignificant deviations from the agreed quality, or natural wear and tear, or damage arising after the passing of risk caused by intentional damage or negligent handling, excessive strain, overloading, use of unsuitable equipment, inappropriate foundation of soil, or claims based on particular external influences not assumed under the present GC or the Individual Contract, or from non-repeatable software errors. Claims based on defects attributable to improper modifications or repair work carried out by the Customer or third Parties and the consequences thereof are likewise excluded.
6. The Customer may not claim any costs incurred in connection with the supplementary performance including, but not limited to travel, transport and material costs, labour costs if these costs are higher than planned because the Supply has to be moved to a location other than the Customer's premises, unless doing so results from the normal use of the Supply.

In the event of a defect report, if it turns out after the inspection that the Defect was not under warranty, the Customer is obliged to reimburse the Supplier for the incurred and justified costs of defect detection, replacement and repair, and the Customer may not contest it.

7. The Supplier shall be liable to the Customer for any damage caused to the Customer by late or defective performance. However, the liability of the Supplier is excluded in all cases for indirect or consequential losses, in particular for lost profits, loss of production, loss of data. The extent of liability for all damages covered by the Individual Contract shall be limited to 50% of the net amount of the Individual Contract affected by the damage. The limitation on the amount of compensation shall not apply to Defects concealed in bad faith, as well as to damages caused intentionally by the Supplier or damages caused to life, physical integrity or health. Any other claims of the Customer in relation to any Defect or any claim based on the breach of the Individual Contract or the present GC exceeding the claims provided for in this Section VIII are excluded for the claims regulated in Section X. in connection with the impossibility of performance.

## **IX. INTELLECTUAL PROPERTY RIGHTS AND COPYRIGHT; DEFECTIVE TITLE**

1. The Supplier shall provide to the Customer the industrial property rights and copyrights (hereinafter referred to as "IPR") necessary for the use of the Supplies for their intended purpose. The detailed conditions on IPR are included in the Individual Contract. If a third Party asserts a justified claim against the Customer based on an infringement of an IPR set out in the Individual Contract, the Supplier shall be liable to the Customer as follows:

- a) The Supplier shall choose whether to acquire, at its own expense, the right to use the IPR with respect to the relevant Supplies or whether to modify the Supplies that they no longer infringe the IPR or replace them. If this would be impossible for the Supplier under reasonable conditions, the Customer may withdraw from the Individual Contract or terminate it with immediate effect or demand a proportionate price reduction.
  - b) The Supplier's liability to pay damages is governed by Section VIII.
  - c) The above obligations of the Supplier shall apply only if the Customer (i) immediately notifies the Supplier in writing of any such claim asserted by the third Party, (ii) does not concede the existence of an infringement and (iii) leaves all defence and negotiations to the Supplier's discretion. If the Customer stops using the Supplies in order to reduce the damage or for other good reason, it shall be obliged to point out to the third Party that no acknowledgement of the alleged infringement may be inferred from the fact that the use has been discontinued.
2. Customer's claim is excluded if the Customer is responsible for the IPR infringement.
  3. Claims of the Customer are also excluded if the infringement of the IPR is caused by specifications not included in the Individual Contract, or by a type of use not foreseeable by the Supplier or if the Customer has modified the Supplies or used it together with products which were not provided by the Supplier.
  4. If other defects in title occur, Section VIII. shall apply mutatis mutandis.

#### **X. IMPOSSIBILITY OF PERFORMANCE, MODIFICATION OF CONTRACT**

1. In the event of impossibility of delivery, the Customer is entitled to claim resulting damages, unless the Supplier is not responsible for the impossibility. The Supplier's liability for any indirect losses is excluded in any event, in particular for the loss of profit, loss of production, loss of data. The Customer's claim for damages is, however, limited to an amount of 10% of the value of the part of the Supplies which, owing to the impossibility, could not be used as intended. This limitation shall not apply to damage intentionally caused by the Supplier or to damages to life, physical integrity or health.
2. Should an unforeseeable event pursuant to Section IV. point 3. occur that substantially changes the value or the content of the Supply, or considerably affects the Supplier's business activity, the relevant Individual Contract shall be amended taking into account the principles of reasonableness and good faith. If this cannot be expected from the Supplier for economic reasons, the Supplier is entitled to withdraw from the given Individual Contract. If the Supplier intends to exercise its right of withdrawal, it shall notify the Customer immediately after having realized the repercussions of the event. This shall be applicable even when an extension of the delivery period has previously been agreed with the Customer.

#### **XI. PLACE OF JURISDICTION AND APPLICABLE LAW**

1. The Parties shall attempt to amicably settle any dispute related to this GC. In the absence of a result the Parties will apply to Hungarian court.
2. The present GC and the Individual Contracts concluded on the basis thereof shall be governed by Hungarian law except for the rules of CISG, the UN Convention on Contracts for the International Sale of Goods adopted in Vienna in 1980.
3. The present GC has been made in English and Hungarian. In case of any discrepancies between the two versions, the Hungarian version shall prevail.

**XII. TERMINATION WITH IMMEDIATE EFFECT**

In addition to any other right of termination set out in the present GC or in the Individual Contract either Party may terminate the relevant Individual Contract if the other Party is in serious breach of the relevant Individual Contract and fails to take all reasonable steps to remedy the breach within 15 days of the receipt of the notice to this effect.

**XIII. SEVERABILITY CLAUSE**

The invalidity of one or more provisions of the present GC or the Individual Contract shall not affect the validity of the remaining provisions unless it would be unreasonable for either Party to maintain the contractual obligations.

**XIV. RESERVATION CLAUSE**

The Supplier's obligation to fulfil this agreement is subject to the condition that the fulfilment is not hindered by any impediments arising out of national and international legal requirements related to foreign trade or any embargos (and/or other sanctions).

**XV. COMPLIANCE WITH EXPORT CONTROL REGULATIONS**

1. If Customer transfers products (hardware and/ or software and/ or technology as well as corresponding documentation, regardless of the mode of provision) delivered by Supplier or works and services (including all kinds of technical support) performed by Supplier to a third Party worldwide, Customer shall comply with all applicable national and international (re-) export control regulations. In any event Customer shall comply with the (re-) export control regulations of Hungary, of the European Union and of the United States of America.
2. If it is required for export control checks, the Customer shall - upon request by the Supplier - immediately provide the Supplier with all information pertaining to the particular end customer, destination and intended use of goods, works and services provided by Supplier, as well as any existing export control restrictions.
3. Customer shall indemnify and exempt the Supplier from all claims, proceedings, actions, fines, losses, costs and damages arising from or related to the Customer's noncompliance with export control regulations, furthermore Customer shall compensate the Supplier for all losses and expenses resulting thereof, unless the Customer is not responsible for this noncompliance. This provision does not imply a change in burden of proof.

**XVI. FINAL PROVISIONS**

1. By concluding the Individual Contract, the Parties accept that the rights and obligations do not necessarily apply to and burden equally the Parties. The Parties, after careful consideration, expressly conclude the contract in line with this intention and at the same time exclude the right to appeal on the grounds of significant disproportion in value.
2. By concluding the Individual Contract, the Customer expressly renounce any possible right to enforce any claim (s) against the managers/executives of the Supplier.
3. The Parties agree that a written request for payment of a debt under an Individual Contract shall interrupt the limitation period.

4. The Supplier's Code of Conduct forms part of the present GC and the Individual Contract, the current version of which is available at [www.siemens-energy.com](http://www.siemens-energy.com).  
Customer declares that it has read the Code of Conduct and accepts it as binding on itself.
5. Customer may only transfer the Contract or parts thereof to a third Party with prior written approval of the Supplier.